

April 1, 2021

The Honorable Ben Hueso
Chair Senate Energy, Utilities and Communications Committee
State Capitol, Room 4035
Sacramento, CA 95814
RE: SB 31 (Cortese) – Decarbonization Programs Act – OPPOSE

Dear Chairman Hueso,

The Greater Coachella Valley Chamber of Commerce, on behalf of our over 1,300 business member organizations, submit our respectful opposition to SB 31 (Cortese), which would amend the principal goal of electric and natural gas utilities' resource planning and investment to include the decarbonization of existing and new buildings. While SB 31 is presented as an increase in funding for building decarbonization efforts, this bill actually limits the state's ability to reduce emissions from buildings by excluding renewable gas (RG) and singularly directing funding to electrification programs.

Unfortunately, state regulators seem to have already concluded that building decarbonization means building electrification, which stifles innovation and severely limits the tools we can use to fight climate change at a time when must leverage every tool available. We believe SB 31 will give state regulators free reign to fund electrification only efforts without fully evaluating the benefits of RG to achieve the climate policy imperative of net zero emissions and diminishing the prospects for achieving the climate policy imperatives. RG is a clean and affordable energy option that's available today. It's a smart fuel choice for all of us because it saves money, reduces our carbon footprint and provides a consistent source of reliable energy.

Numerous decarbonization pathways models recognize the need for a capable and robust gas grid to achieve decarbonization goals, including for reducing building emissions.

Rather than focusing on a singular pathway that cannot succeed, the state should include the necessary implements in its approach to decarbonization, including a capable gas grid. RG, including green hydrogen and biomethane, can play a vital role in accelerating the state's decarbonization efforts because RG is a drop-in replacement for traditional natural gas, and it can be used to decarbonize many sectors of the economy, including shipping, aviation, heavy-duty long-haul transportation, iron and steel production, and manufacturing processes that require high-temperature industrial heat such as aluminum, glass and cement.

In the recent past, regulators and decarbonization advocates have called for a ban on gas appliances. Bearing in mind that the vast majority of Californians currently use natural gas as their preferred affordable energy source for space and water heating, as well as cooking, electrifying end uses could increase annual utility bills almost \$900 more than in mixed-fuel homes. Most families cannot afford to shoulder this undue and onerous financial burden, particularly those experiencing hardships from the COVID-19 pandemic.

As our state is currently facing historic levels of homelessness and poverty, policies that would drastically increase the cost of building compliance and monthly utility bills, which negatively impact housing affordability, are misguided and regressive. The Legislature should oppose undefined, unchecked and unproven policies to identify, fund, and implement GHG reduction efforts that compromise affordability and eliminate customer choice, while stifling innovation and slowing decarbonization efforts. Lastly, the state should leverage the existing gaseous fuel delivery system, which possesses built-in resiliency (i.e., during natural disasters and wildfires), while maintaining customer choice.

For these reasons we must Oppose SB 31 and respectfully request your “NO” vote.

With regards,



Joshua R. Bonner, IOM
President and CEO
Greater Coachella Valley Chamber of Commerce